

Message Text

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PAGE 01 ISLAMA 11203 290829Z

21-12

ACTION NEA-12

INFO OCT-01 ISO-00 DEAE-00 CIAE-00 INR-10 IO-14 JUSE-00

NSAE-00 RSC-01 SNM-02 SY-10 TRSE-00 USIA-15 NSC-10

SCI-06 OMB-01 AID-20 IGA-02 SS-20 L-03 AGR-20 DODE-00

PM-07 SPC-03 DRC-01 /158 W
----- 117200

R 290727Z DEC 73

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 2662

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E.O. 11652: N/A

TAGS/ SNAR, PK

SUBJ: NARCOTICS: NEGOTIATIONS ON POPPY PRODUCTION REDUCTION
PROGRAM

REF: ISLAMABAD 10626

SUMMARY: MESSAGE REVIEWS THREE NEGOTIATING SESSIONS IN WHICH DEVELOPMENT PROBLEM IS FURTHER DEFINED BOTH IN TERMS OF AREA AND AMOUNTS. MISSION IS DISSATISFIED WITH PROGRESS AND PLANS APPROACH AT TOP LEVEL OF FINANCE MINISTRY NEXT WEEK IN EFFORT TO MOVE NEGOTIATIONS AHEAD. END SUMMARY.

1. MISSION NEGOTIATING TEAM MET DEC. 13 WITH SECRETARY JAFAREY AND ORAKZAI. JAFAREY SAID MINFIN HAD REVIEWED GOVERNMENT POSITION AND HAD SAID THAT GOVERNMENT WOULD BE WILLING TO DETERMINE A SCHEDULE FOR PHASE-OUT OF POPPY PRODUCTION IN SETTLED AREAS AND THAT SCHEDULE WOULD BE DEPENDENT ON AMOUNT OF FUNDS U. S. COULD PROVIDE. JAFAREY THEN ASKED HOW MUCH THE UNITED STATES WOULD PLAN TO MAKE AVAILABLE. AID DIRECTOR INDICATED THAT WE HAVE IN MIND \$2 MILLION RELATED TO A SATISFACTORY PHASE-OUT SCHEDULE FOR SETTLED AREAS. JAFAREY QUICKLY REJOINED THAT THIS WAS LIMITED OFFICIAL USE

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PAGE 02 ISLAMA 11203 290829Z

"ENTIRELY TOO LITTLE." ASKED WHAT THE GOVERNMENT'S VIEW OF

AN ADEQUATE AMOUNT WOULD BE, JAFAREY TURNED TO ORAKZAI WHO RESPONDED IN GENERAL TERMS BUT SUGGESTED THAT \$2 MILLION ANNUALLY FOR FIVE YEARS OR A TOTAL OF \$10 MILLION WOULD BE CLOSER TO THE MARK. HE SAID THIS AMOUNT NEEDED FOR SWABI AND GABOON AREAS. AID DIRECTOR ASKED FOR MORE PRECISE INFORMATION ON DEVELOPMENT PROGRAM TO BE FINANCED WITH U. S. CONTRIBUTION AND JAFAREY SUGGESTED IT WOULD BE APPROPRIATE FOR TEAM TO MEET WITH NWFP DEVELOPMENT COMMISSIONER TO GO INTO THIS QUESTION IN MORE DETAIL. AID DIRECTOR AGREED, SUGGESTING THAT FIRST TASK IS TO DEFINE WHAT MAGNITUDE OF EFFORT WILL BE REQUIRED AND THEN TO CONSIDER WHAT COMBINATION OF U. S. AND GOP SOURCES CAN BE TAPPED TO FINANCE THE NECESSARY PROGRAM. HE SAID THAT THE POPPY REDUCTION PROGRAM MUST BE SEEN IN THE TOTAL CONTEXT OF OUR RELATIONSHIPS, INCLUDING AID RELATIONSHIP, AND THAT WE SHOULD KEEP IN MIND THAT THIS IS A COOPERATIVE EFFORT OF CONCERN TO BOTH COUNTRIES AND IN THE FRAMEWORK OF OUR INTERNATIONAL UNDERTAKINGS. THUS FUNDING OF NECESSARY PROGRAM CAN BE FROM BOTH U. S. AND GOVERNMENT SOURCES.

2. ON DECEMBER 14, TEAM MET IN ORAKZAI'S OFFICE WITH NWFP DEVELOPMENT COMMISSIONER MASUD-UR-RAUF AND STAFF AIDES. DEVELOPMENT COMMISSIONER STATED FROM OUTSET THAT HE WAS UNPREPARED FOR MEETING, HAVING COME TO ISLAMABAD ON OTHER BUSINESS. HE THEN DESCRIBED A PROVINCIAL PROGRAMMING EFFORT WHICH CONTAINED A \$10 MILLION SEGMENT FOR THE SWABI TEHSIL. THE DISCUSSION CONFIRMED THAT THE GOVERNMENT IS NOW OF THE OPINION THAT IT IS ONLY THIS TEHSIL (WHICH INCLUDES GADOON) WHICH WILL REQUIRE A SPECIAL ASSISTANCE PROGRAM BECAUSE OF UNIQUE DIFFICULTIES EXPECTED THERE, IN ENFORCING BAN ON PRODUCTION. THEY HAVE DECIDED AT LEAST FOR NOW THAT REMAINING PRODUCTION IN THE REST OF THE SETTLED AREAS CAN BE STOPPED BY A SIMPLE BAN. IN VIEW OF LACK OF PRECISION IN DESCRIBED PROGRAM, IT WAS AGREED TO MEET AGAIN ON DECEMBER 20.

3. IN MEETING DECEMBER 20, THE NWFP JOINT SECRETARY FOR PLANNING AND DEVELOPMENT FARID RAHMAN REPRESENTED THE DEVELOPMENT COMMISSIONER. HE HAD IN THE INTERVENING WEEK LIMITED OFFICIAL USE

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PAGE 03 ISLAMA 11203 290829Z

CANVASSED THE "NATION BUILDING" MINISTRIES FOR SPECIFIC PROJECTS IN SWABI TEHSIL. THESE AMOUNTED TO \$12 MILLION (INCLUDING \$2 MILLION IN FOREIGN EXCHANGE) TO WHICH ANOTHER \$5 MILLION SHOULD BE ADDED FOR OPIUM FARMERS' COMPENSATORY PAYMENTS. THE STRATEGY OUTLINED WAS TO COMPENSATE THE FARMERS FOR FIVE YEARS THROUGH IN-KIND DEVELOPMENT PAYMENTS EQUIVALENT TO ABOUT RS. 1,800 TO RS. 2,000 PER ACRE. MEANWHILE, AN INTENSIVE DEVELOPMENT

OF INFRASTRUCTURE WOULD CONTRIBUTE TO THE OVERALL PROSPERITY OF THE AREA. EMPHASIS WAS PLACED ON NEED FOR A QUICK AND VISIBLE START TO BRING CREDIBILITY TO OPERATION.

JOINT SECRETARY STRONGLY URGED (AS HAD DEVELOPMENT COMMISSIONER IN PREVIOUS MEETING) THAT FUNDS BE CHanneLED FROM NARCOTICS BOARD IN ISLAMABAD DIRECTLY TO PROJECT TO BE ESTABLISHED AS SPECIAL PROJECT AREA. MEETING ENDED WITH SUMMARY FROM AID DIRECTOR TO EFFECT THAT ALTHOUGH SOME PROGRESS HAD BEEN MADE IN BRING MORE DEFINITION TO ACTUAL DEVELOPMENT EFFORT WHICH GOVERNMENT FELT WOULD BE REQUIRED, DIFFERENCE BETWEEN U. S. OFFER OF \$2 MILLION AND NEW NWFP PRICE TAG OF \$17 MILLION OBVIOUSLY WOULD NOT BE FILLED FROM USG NARCOTICS FUNDS. HE POINTED OUT THAT USG HAD BEEN CONTRIBUTING DEVELOPMENT ASSISTANCE TO PAKISTAN AT RATE OF \$1 MILLION PER WORK DAY, INCLUDING \$400 MILLION TO TARBELA DAM PROJECT WHICH HAD ALREADY BENEFITTED GADOON RESIDENTS IN TERMS OF EMPLOYMENT OPPORTUNITIES. OUR EVENTUAL CONTRIBUTION TO POPPY PROGRAM SHOULD BE SEEN IN THAT CONTEXT. NWFP OFFICIAL AGREED TO CONTINUE TO REFINE PROJECT PROPOSALS WHICH HE ADMITTED WERE STILL TENTATIVE. NEGOTIATING TEAM INFORMED PAKS THEY WOULD REPORT TO AMBASSADOR PROGRESS OF TALKS AS BASIS FOR FURTHER RECOMMENDATIONS TO WASHINGTON.

4. WE ARE NOT SATISFIED WITH PACE AT WHICH NEGOTIATIONS HAVE BEEN PROCEEDING. WE ARE PARTICULARLY DISAPPOINTED AT FAILURES OF PAKS TO PUT FORWARD CONCRETE DEVELOPMENT PROGRAM REFLECTING CAREFUL FACTOR COSTINGS AND TO INDICATE MOST RAPID FEASIBLE TIMETABLE ACCEPTABLE TO THEM. EMBASSY PLANS APPROACH BY DCM AND USAID DIRECTOR NEXT WEEK AT HIGH LEVELS (SEC GEN KAZI) OF FINANCE MINISTRY AS FIRST NEXT STEP TO EXPRESS OUR DISAPPOINTMENT AND DISSATISFACTION AND URGE MORE THOROUGH-GOING APPROACH ON THEIR PART TO NEGOTIATIONS. OUR INTENTIONS RE TACTICS WILL BE SUBMITTED ALONG LIMITED OFFICIAL USE

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PAGE 04 ISLAMA 11203 290829Z

WITH REPORT OF MEETING WITH KAZI.

5. MEMCONS OF CONVERSATIONS PARA 1-3 POUCHED, ALONG WITH PROFILE OF SWABI TEHSIL BYROAD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURAL PRODUCTION, OPIUM, DRUG CONTROL, POLICIES, CENTRAL GOVERNMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 29 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ISLAMA11203
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: ISLAMABAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973121/aaaaaapo.tel
Line Count: 158
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: ISLAMABAD 10626
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 07 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Jan-2002 by willialc>; APPROVED <23-Jan-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NARCOTICS: NEGOTIATIONS ON POPPY PRODUCTION REDUCTION PROGRAM
TAGS: SNAR, PK
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005